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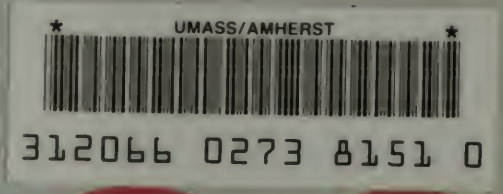

Q&A

As the Survivor of An Active Member

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MTRB

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This booklet, written by the MTRB's Research Department, was prepared exclusively for use by members of the Massachusetts Teachers' Retirement System. It is not intended as a substitute for the Massachusetts General Laws nor will its interpretation prevail should a conflict arise between the contents of this booklet and M.G.L. ch.32. Finally, rules governing retirement are subject to change periodically either by statute of the Massachusetts Legislature or by regulation of theTeachers' Retirement Board.

Margaret R. Shea
Director of Research

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MEMBERSHIP INFORMATION

Q&A

What is the Massachusetts Teachers' Retirement System?

The Massachusetts Teachers' Retirement System is a contributory retirement system governed by the Commonwealth's retirement law, Chapter 32 of the Massachusetts General Laws. The Teachers' Retirement System, which is the second largest of the Commonwealth's 106 contributory retirement systems, provides retirement, disability, and survivor benefits for Massachusetts teachers and their families.

Q&A

Who manages the Teachers' Retirement System?

The Massachusetts Teachers' Retirement Board administers the Teachers' Retirement System. The Board, which meets at least once a month, votes on every retirement allowance and investigates all claims for accidental and ordinary disabilities. The Board also establishes the rules and regulations of the agency. Finally, the Board oversees the dissemination of services and information to its membership of over 65,000 teachers and 23,000 retirees. The Board is assisted in its many tasks by an executive director. The executive director, together with a staff of 45 professionals, implements the programs and policies of the Board.

The Board is composed of five members chosen in accordance with the enabling statute of the Teachers' Retirement Board. Two members are elected

by the active and retired members of the system. One member, who must be a retired teacher, is appointed by the Governor; one member is chosen by the vote of the other four. The last member and the chairman of the Board is the Massachusetts Commissioner of Education or his designee. Each member, except the chairman, serves a four year term. The length of the chairman's term depends upon the Commissioner of Education.

Q&A

I am the survivor of an active Massachusetts teacher. Will I receive a survivor benefit?

You will be eligible to receive a survivor benefit from the Massachusetts Teachers' Retirement Board. The type of survivor benefit that you will receive depends upon your relationship to the member and the beneficiary designation that the member made on the MTRB's Beneficiary Form.

Generally, an active member of the Teachers' Retirement System can provide a benefit for his/her survivor in one of two ways. A member can designate an individual as a lump sum beneficiary. Upon the member's death, the individual named as a lump sum beneficiary will receive the contributions and interest credited to the member's Annuity Savings Account. There are no restrictions on who may be named a lump sum beneficiary and a member may name more than one individual to receive a percentage of his/her account. The second way in which a member can provide for a survivor is to designate that individual as an Option D beneficiary. Upon the death of the member, an individual named as an Option D beneficiary will receive a monthly survivor benefit for the rest of his or her life. A member may name only one individual as an Option D beneficiary and this individual must be the member's parent, spouse, sibling, or child.

In addition to the benefits described above, the Massachusetts retirement law provides special benefits to the surviving spouses and dependent children of deceased members. These benefits, referred to as special spousal benefits, are

awarded to surviving spouses of teachers who were members of the Teachers' Retirement System for at least two years. In order to be eligible for these benefits, you and your spouse must have been living together at the time of his/her death and you must have been married for at least one year.

Q&A

I am the surviving spouse of a member whose death was caused by a work-related accident. What type of benefit will I be entitled to?

If your spouse died as a result of a work-related accident or injury, you will be eligible to receive accidental death benefits.

The Teachers' Retirement Board makes the decision to grant accidental death benefits. In order to grant accidental death benefits, the Board must find that a member died as a natural and proximate cause of a personal injury sustained or hazard undergone as a result of, and while in performance of, his duties at some definite place and at some definite time, without serious and wilful misconduct on his part.

Q&A

Are there any instances when an individual who was designated as beneficiary would not receive his/her benefit?

Yes. If you were designated by the member as a lump sum beneficiary and you are not the spouse of the member, you will not receive a return of the member's Annuity Savings Account if the member left a surviving spouse and/or dependent children. If the member died leaving a surviving spouse, the spouse will receive a special spousal allowance. If the member left dependent children

but no surviving spouse, the children's legally appointed guardian has the option to receive either the lump sum payment or the special spousal allowance.

Q&A

What happens if the member failed to designate a beneficiary or if the individual designated by the member on the Beneficiary Form is deceased?

If the member failed to designate a beneficiary or if the individual designated by the member is deceased and there is no surviving spouse or dependent children, any amount that remains in the member's Annuity Savings Account at the time of his/her death will be paid to the administrator or executor of the deceased member's estate. In order for the Teachers' Retirement Board to process a payment to an estate, the Retirement Board must have a copy of both the member's death certificate and the administrator's or executor's Letter of Appointment. If an administrator or executor has not been appointed by the Probate Court, the member's heirs must sign a Release of Claim Form which designates the individual who will receive the lump sum payment.

For additional information about your survivor benefits, please refer to the subheadings listed below:

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Q&A

I am the lump sum beneficiary of a deceased teacher. How will the Teachers' Retirement Board determine the amount of my lump sum payment?

If you were designated as a lump sum beneficiary, you will receive a single payment of the balance in the member's Annuity Savings Account. The member's Annuity Savings Account is a depository of all the contributions the member made to the retirement system while he/she was teaching plus any interest which may have accumulated on those contributions.

Q&A

What forms must I complete in order to receive my benefit?

In order for the Teachers' Retirement Board to process your claim for benefits, you must complete a Beneficiary Claim Form. This form, along with the member's death certificate, must be returned to the Teachers' Retirement Board.

Q&A

When will I receive my lump sum payment?

Before a lump sum payment can be issued to a beneficiary, the deceased member's last retirement deduction must be transferred to the retirement board from the member's school district. Once you have returned the required forms, you should receive your payment approximately two weeks after the member's last deduction has been transferred to the Teachers' Retirement Board.

Q&A

I am the surviving spouse of an active teacher who was named as a lump sum beneficiary. Will I receive the lump sum payment or a special spousal allowance?

A spouse who is designated as a lump sum beneficiary and who qualifies for special spousal benefits will have the election of receiving either a single payment of the balance in the member's Annuity Savings Account or a special spousal allowance.

Option D Benefits

Q&A

How is the amount of my Option D survivor allowance calculated?

The amount of your Option D survivor allowance is determined by taking two-thirds of the amount the member would have received under a joint and survivor allowance (Option C allowance) if the member had retired on the date of his or her death. If the member died before reaching age fifty-five, the benefit calculation is performed as if the member was fifty-five on the date of death.

Q&A

What forms must I complete in order to receive my Option D benefit?

Before the Teachers' Retirement Board can issue your monthly Option D benefit, you must complete an Option D Benefit Acceptance Form. This form, along with a copy of the member's death certificate, your birth certificate, and, if applicable, your marriage certificate, must be returned to the Teachers' Retirement Board. If these documents are returned promptly, you will receive your first Option D payment by the last week of the month following the member's date of death.

Q&A

I am an Option D beneficiary. Do I have the option of receiving a one-time payment of the member's Annuity Savings Account?

No. An individual named as an Option D beneficiary must receive a monthly survivor benefit.

Q&A

Will I receive cost-of-living adjustments on my Option D survivor allowance?

Cost-of-living adjustments are granted to retirees and survivors of the Teachers' Retirement System by a vote of the Massachusetts Legislature. Survivors of active members are eligible to receive a cost-of-living adjustment on the July 1st of the second calendar year following the member's date of death.

Q&A

Are there any situations where the Teachers' Retirement Board would reduce or suspend my Option D benefit?

No. The Option D survivor benefit that you receive from the Teachers' Retirement Board is a lifetime benefit.

Q&A

The deceased member had creditable service which he/she never bought back. Do I have the option of purchasing this service in order to increase my Option D benefit?

You can increase the amount of your Option D benefit by purchasing creditable service earned but not bought back by the member. Examples of creditable service that may have been earned by the member but not purchased within the Teachers' Retirement System include: former refunded

service, out-of-state service, substitute or temporary service, or other Massachusetts public service. If you wish to buy back the member's creditable service, you must purchase the service within 90 days of receiving the Option D Benefit Acceptance Form.

Special Spousal Benefits

Q&A

Who is eligible to receive special spousal benefits?

Special spousal benefits are awarded to surviving spouses of teachers who were members of the Teachers' Retirement System for at least two years. In order to be eligible for special spousal benefits, you must have been married to your spouse for at least one year and you must have been living together at the time of your spouse's death.

Q&A

How does the Teachers' Retirement Board determine the amount of my special spousal benefit?

The monthly allowance that you will receive under the special spousal benefit is calculated the same way that an Option D survivor benefit is calculated. The amount of your benefit is determined by taking two-thirds of the amount the member would have received under a joint and survivor benefit (Option C allowance) if the member had retired on the date of his or her death. If the member died before reaching age fifty-five, the calculation is performed as if the member was fifty-five on the date of death. Individuals who are eligible to receive a special spousal benefit will receive a minimum monthly payment of $250.00 and a

monthly allowance for surviving children.

Q&A

What type of benefit will I receive for my children?

If you are eligible to receive special spousal benefits from the Teachers' Retirement System, you will receive a monthly allowance for all children under age eighteen. If your child is a full-time student in an accredited educational institution, your child's benefits will continue until he/she reaches age twenty-two. The first child in a family will receive $120.00 per month and each additional child will receive a monthly benefit of $90.00.

Benefits paid to all children will terminate upon the child's adoption, marriage, or death. Benefits to children over eighteen will terminate when the child ceases to be a full-time student or when the child reaches age twenty-two, whichever occurs first. Children who are mentally or physically handicapped on the member's date of death and are unable to be financially self-supporting will receive a lifetime benefit.

Q&A

If I remarry will my special spousal benefit be reduced?

If the original amount of your special spousal benefit was above the minimum benefit of $3,000 per year, remarriage will have no effect on your benefit. Remarriage will, however, reduce the benefits of those surviving spouses who were paid the minimum special spousal benefit at the time of the member's death. If you were receiving the minimum benefit and you remarry, your benefit

will be reduced to the benefit you would have received had you not qualified for the special spousal allowance.

All individuals receiving special spousal benefits are required to notify the Teachers' Retirement Board in writing of their remarriage.

Q&A

What forms must I complete in order to receive my special spousal allowance?

If you are the surviving spouse of a Massachusetts teacher, you must complete a Spousal Benefits Application in order for the Teachers' Retirement Board to determine the amount of your special spousal allowance. You must return the application form to the Teachers' Retirement Board along with your spouse's death certificate, your marriage and birth certificates, the birth certificates of any children eligible to receive benefits, proof of full-time student status for children between the ages of eighteen and twenty-two, and, if applicable, your spouse's military discharge.Within fourteen days of receiving your application form and accompanying documents, the Teachers' Retirement Board will send you either a Spousal Benefits Acceptance Form or a Spousal Benefits Election Form.

If your spouse designated you as his/her Option D beneficiary, you will receive a Spousal Benefit Acceptance Form. This form, which must be signed and returned to the Teachers' Retirement Board, indicates the monthly benefit payable to you and your eligible children.

Surviving spouses who are eligible to elect either a lump sum payment of the balance in their spouse's Annuity Savings Account or a monthly

spousal benefit will receive a Spousal Benefit Election Form. The Spousal Benefit Election Form will specify the amount of the lump sum payment as well as the monthly spousal benefit payable to you and your children. You will be asked to make your benefit election and return the form to the office. *All surviving spouses who are eligible to receive an election of benefits must return the Spousal Benefits Election Form to the Teachers' Retirement Board within 90 days.*

Q&A

Do all spouses who are eligible to receive a special spousal allowance have the option of receiving a single payment of their spouse's Annuity Savings Account?

No. If you are the surviving spouse of a member who designated you as his/her lump sum beneficiary on MTRB's Beneficiary Form or if your spouse failed to make a beneficiary designation, you will be eligible to receive either a single payment of the balance in the member's Annuity Savings Account or a special spousal allowance. Spouses who were designated as Option D beneficiaries are eligible to receive only the monthly spousal allowance.

Q&A

When will I receive my first spousal benefit check?

Once a Spousal Benefits Election Form or Spousal Benefits Acceptance Form has been returned to the Teachers' Retirement Board, you will receive an estimated spousal allowance check within approximately forty-five days. You will receive a finalized spousal allowance once your benefit is approved by a vote of the retirement board. Benefit checks are mailed to all retirees and survivors during the last week of each month.

Q&A

My spouse had creditable service which he/she never bought back. Do I have the option of purchasing this service in order to increase my special spousal allowance?

You can increase the amount of your spousal benefit by purchasing creditable service earned but not bought back by your spouse. Examples of creditable service that may have been earned by your spouse but not purchased within the Teachers' Retirement System include: former refunded service, out-of-state service, substitute or temporary service, or other Massachusetts public service. If you wish to buy back your spouse's creditable service, you must purchase the service within 90 days of receiving either the Spousal Benefits Election Form or the Spousal Benefits Acceptance Form.

Information For Guardians Of Dependent Children

Q&A

What type of survivor benefit will be paid to children of a deceased member if the member did not leave a surviving spouse?

If a deceased member leaves dependent children but no surviving spouse, survivor benefits will be paid to the children through a legally appointed guardian. In most cases, the children's legally appointed guardian will have the option of receiving either a monthly benefit or a lump sum payment of the balance in the member's Annuity Savings Account. The monthly benefit that the guardian can choose to receive will equal the special spousal allowance that a member's spouse would receive. Additionally, a monthly benefit will be paid to the guardian for each child. The oldest child will receive a monthly allowance of $120.00 and each additional child will receive $90.00. The benefits

paid to dependent children will continue until age eighteen. Children who are full-time students will receive a benefit until they reach age twenty-two. A monthly benefit will be paid to a guardian until such time that the deceased member's children are no longer eligible to receive benefits.

Information for Survivors Receiving a Monthly Benefit

Q&A

Will I have to pay federal income tax on my Option D or special spousal benefit?

Yes. Most of the Option D or special spousal benefit that you receive from the Massachusetts Teachers' Retirement Board will be considered taxable income by the federal government. A small portion of your benefit, however, will be exempt from taxation. The amount of this tax-exempt portion will depend upon your life expectancy and the amount of contributions that the member made to the Teachers' Retirement System. You can determine the amount of this tax-exempt portion by using the Internal Revenue Service's General Rule for Reporting Pension and Annuity Income.

If you receive an Option D or special spousal benefit, you may be able to reduce your taxable income by taking a death benefit exclusion. This exclusion, which is limited to $5,000.00, is added to the member's contributions to the system, thus increasing the tax-exempt portion of the Option D or special spousal benefit. More information about the General Rule and the death benefit exclusion can be found in Internal Revenue Service's Publication 575: Pension and Annuity Income. Worksheets about the General Rule may be obtained by contacting our office.

Q&A

Can I have federal income tax withheld from my Option D benefit or my special spousal allowance?

Yes. The Teachers' Retirement Board is required by federal law to withhold federal taxes from all survivor allowances unless a survivor notifies us in writing that he/she does not wish to have taxes withheld. Before you receive your monthly benefit, you will be asked to complete a Retiree's Withholding Preference Form (W4P Form). This form will ask you to indicate the amount of tax that you wish to have withheld. If the Teachers' Retirement Board does not receive a W4P Form from you, we are required to withhold taxes as if you were a married person with three exemptions.

Q&A

Will I have to pay state income tax on my Option D or special spousal benefit?

No. Both the Option D and the special spousal benefit are exempt from taxation by the Commonwealth of Massachusetts.

Q&A

Will the Teachers' Retirement Board contact me to see if I am eligible to continue to receive an Option D or special spousal benefit?

Massachusetts retirement law requires all individuals receiving retirement, disability, and survivor benefits to file an affidavit verifying their eligibility to receive a benefit. Each year, the Teachers' Retirement Board will contact you and ask you to sign a statement, under the penalties of perjury, declaring your continued eligibility to receive an Option D or special spousal benefit.

Q&A

How will the Teachers' Retirement Board verify that my child is eligible to receive a benefit?

Benefits paid to a surviving child will terminate when the child reaches age eighteen, unless the child is a full-time student in an accredited educational institution. Several months before your child's eighteenth birthday, the Teachers' Retirement Board will mail your child a Student Verification Form to complete and return to the office. If your child's full-time student status is verified by the school's registrar, your child will continue to receive benefits after his/her eighteenth birthday. After this initial verification, your child will receive a Student Verification Form each October and March. A Student Verification Form must be completed and returned each semester to guarantee the continuation of your child's benefits.

Q&A

Will I be covered under a group heath insurance program?

If you are the surviving spouse of an active teacher, your health insurance benefits will be administered by the city, town, or school district where your spouse was employed. Any questions about your medical insurance coverage should be directed to the school district's personnel or treasurer's office.

If you must pay an insurance premium to the city, town, or school district treasurer for your health coverage, this premium can be deducted from your monthly survivor benefit. The Teachers' Retirement Board will deduct an amount specified by your district and then transfer the funds to the city, town, or school district treasurer for payment to

the insurer. If you wish to participate in the insurance withholding plan you should contact your treasurer's office. You must notify the Teachers' Retirement Board if you decide not to participate in the insurance withholding program.

Accidental Death Benefits

Q&A

I am the surviving spouse of a member whose death was caused by a work-related injury. If I am granted accidental death benefits, how much will I receive?

If you are granted accidental death benefits by the Teachers' Retirement Board, you will receive a two part benefit: a lump sum payment equal to the balance in your spouse's Annuity Savings Account and a monthly accidental death benefit. This benefit will equal 72% of the member's compensation for as long as you remain unmarried. In addition, a surviving spouse will also receive a benefit totalling $312.00 for each child under age eighteen or twenty-one if a full-time student. Children who are physically or mentally incapacitated from earning on the member's date of death will receive a lifetime benefit.

Q&A

How do I apply for accidental death benefits?

If you wish to apply for accidental death benefits, you should call the Teachers' Retirement Board and ask to speak with a retirement counselor. He/she will mail you an Application for Accidental Death Benefits. In addition to filing an Application for Accidental Death Benefits, you will be required to supply additional materials that support your claim that your spouse died of work-related injuries.

Q&A

How does the Board make their decision to grant accidental death benefits?

In order to grant accidental death benefits, the Board must find that a member died as the natural and proximate cause of a personal injury sustained or hazard undergone as a result of, and while in performance of, his duties at some definite place and at some definite time, without serious and wilful misconduct on his part.

In order to make its finding, the Board will examine hospital records, statements from physicians, and affidavits from individuals who witnessed your spouse's injury or accident. In addition, you may be asked to appear before the Board at their monthly meeting. At that time, the Board will determine your eligibility for accidental death benefits.

Notes

Notes